(b) and (c) The authorities do not try to manage or control prices, they endeavour to build systems and practices to deepen and broaden markets which can withstand volatility. The Government has put in place systems and practices to promote a safe, transparent and efficient market and to protect market integrity. The systems instituted include advanced risk management mechanisms comprising on-line monitoring and surveillance, various limits on positions, margin requirements, circuit filters, etc. Measures taken to broaden and deepen markets include: screen based trading system, dematerialization of securities, corporatization and demutualization of exchanges, settlement through clearing corporation, trading in derivatives, etc.

Under the current regulatory regime, the price is discovered by the market through book building mechanism, while the authorities endeavour to make all relevant information available to market participants including issues and investors for making informed investment decisions.

**Raids by Income Tax Department**

3001. DR. K. MALAISAMY: Will the Minister of FINANCE be pleased to state:

the parameters or basis on which raids are undertaken by Income Tax Department;

whether there are instances of raids based on various other considerations; and

whether there are instances of arbitrary vindictive raids about which adverse indictment was given?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Search actions/raids by the Income Tax Department are undertaken on the basis of parameters laid down in sub-section (1) of Section 132 of the Income Tax Act, 1961.

No, Sir. Searches are conducted as per the provisions of Section 132 of the Income Tax Act, 1961.

No. Sir.

**Investment in Infrastructure**

3002. SHRI TARIQ ANWAR: Will the Minister of FINANCE be pleased to state:

whether it is fact that India is investing less percentage of income than that of China and other Eastern countries on infrastructure;

if so, what are the reasons for low investment; and

what are the steps Government is taking in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The XI Plan Document estimates the total investment in infrastructure to be around 5 % of the Gross Domestic Production (GDP) in 2006-07. As per the Report of Asian Development Bank (ADB) on "Connecting East Asia: New Framework for Infrastructure, 2005"; as per 2003 figures, while China, Thailand and Vietnam invested more than 7% of GDP in infrastructure, the corresponding investment in Cambodia, Indonesia and Philippines was less than 4% of GDP.

(b) and (c) Strategy for infrastructure development in XI Plan is based on, *inter alia,* dominant role of the State; attracting private investment through appropriate forms of Public

Private Partnerships (PPPs); development of capacity of world class performance standards suitable governance reforms related to competition in service provision, collection of user charges, institutional capacity,, regulation and dispute resolution etc.

**Gross Misuse of special Economic Zones**

3003. DR. (SHRIMATI) NAJMAA. HEPTULLA:
SHRI MAHENDRA MOHAN:

Will the Minister of FINANCE be pleased to state:

whether it is a fact that gross misuse of export enclaves' called Special Economic Zones has been discovered as some of the big corporate used the facility for evading taxes;

whether this is also a fact that the evasion exceeded Rupees 10,000 crores;

whether Comptroller and Auditor General has found some weakness in the system;

if so, the details thereof; and

the action, Government has taken since then?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM): (a) to (e) The information is being collected and will be laid on the Table of the House.

**Investment by Gulf Finance House**

3004. SHRIMATI SUPRIYA SULE : Will the Minister of FINANCE be pleased to state:

whether Gulf Finance House, an Islamic Bank has decided to invest $10 billion in Maharashtra under **a** revised development plan, instead of the earlier $2 billion investment on the development of an energy city;

whether the bank now want to also set up a telecom city, software city and entertainment city along the Mumbai-Pune expressway and national highway;

whether the Maharashtra Government has accepted the proposal;

whether the project called Mumbai Economic Development Zone (MEDZ) is expected to create over three lakh jobs;

whether Government has accepted the proposal; and

by when it is likely to be finalized?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (f) The information is being collected and will be laid on the Table of the House.

**Amendments to recommendations of Vaidyanathan Committee**

† 3005. SHRI MANOHAR JOSHI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Government of Maharashtra has moved some amendments in the recommendations of Prof. Vaidyanathan Committee;

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**† Original notice of the question was received in Hindi.**